

BEVERLY EAVES PERDUE
GOVERNOR



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Gov. Perdue signs new law to fight Medicaid fraud, kickbacks

RALEIGH— Gov. Bev Perdue today signed Senate Bill 675, the Medicaid Anti-Kickback law, part of her proposed package of initiatives to fight fraud, waste and abuse in the state's Medicaid system. These actions, announced in the spring with Department of Health and Human Services Secretary Lanier Cansler and included in the governor's budget and legislative package, could potentially save millions by ferreting out unethical providers that bill Medicaid for services their patients did not need.

Officials with the state Medicaid office have identified the unethical – and illegal – scheme of providing kickbacks to patients who come in to a provider's office for Medicaid-eligible services. The providers, who give out such freebies as turkeys, appliances, even cash, encourage patients to use services they do not need. The provider then files for Medicaid reimbursement.

"In tough economic times, we have an obligation to save every penny possible for the most crucial, essential services that are truly needed by our Medicaid patients," said Gov. Perdue. "Those unscrupulous providers who defraud the state and cost us millions every year won't be tolerated. This law is just another way we will fight Medicaid fraud, waste and abuse – another way we are setting government straight."

The first kickback cases were identified as early as 2005, and this practice is recognized as a national problem. In North Carolina, cases include:

- A pharmaceutical supply company that paid kickbacks to nursing homes in exchange for referrals to the company for drug purchases. Amount recovered: \$2.8 million.